

## Board of County Commissioners Agenda Request 41

**Date of Meeting:** 10/14/2003

**Date Submitted:** 10/8/2003

**TO:** Honorable Chairman and Members of the Board

**FROM:** Parwez Alam, County Administrator  
Kim Dressel, Management Services Director

**SUBJECT:** Disposition of McCord/Host House

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**Statement of Issue:**

This agenda item seeks Board direction regarding bids received for renovation of the McCord/Host House at the Northeast Branch Library.

**Background:**

The Northeast Branch Public Library, of the Leon County-Leroy Collins Public Library system, was initiated by the Board during FY 95/96. Funding for land acquisition was subsequently provided in the FY 96/97 budget.

On September 16, 1997, the Board approved the acquisition of 4.54 acres located at 5513 Thomasville Road North, for the design and construction of a new 14,000 square foot, public library facility. The selected property consisted of a 1940's-vintage residential dwelling, and this acquisition was closed by staff on October 8, 1997.

The planning of this site has since consisted of considerable past Board involvement. On December 9, 1997, staff was directed to subdivide the property and to sell the existing single family residence, in order to generate additional revenue for the County. This was subsequently permitted for performance using a planned unit development (PUD) process. A one (1) - acre lot was created through the PUD-process to accomplish this task. However, on October 13, 1998, the Board reconsidered its earlier decision to sell the house and directed staff to retain, plan, remodel and use the existing residence as an extension of the Branch Library system. This decision was then re-affirmed by the Board on November 19, 1998, and staff proceeded to remove the previous subdivision created by PUD. This whole process consumed several months of time, during which a proposed budget for the project was assembled, and several thousand dollars for needed consulting services were spent. The house is currently commonly-parceled with the Northeast Branch Library. Any revisitation of old desires to sell the facility would, therefore, require a re-subdivision of the property. This might require another \$10,000-\$15,000 of planning-level expense.

The Northeast Branch library structure was subsequently completed at a final planning design and construction cost of \$1,906,232 and dedicated for public use on June 29, 2000. This project was made possible by a State of Florida, Division of Library and Information Services grant of \$400,000. The remaining funds were provided by way of County general revenues.

The existing residence, on the Northeast Branch Library site, was formerly owned by the Millard Caldwell McCord family (e.g., grand-descendants of the 29<sup>th</sup> Florida governor, Millard Fillmore Caldwell, 1945-1949). The residence was dedicated on November 14, 2000 as the Bruce J. Host Library Center. A project to renovate this two-story brick building commenced soon thereafter. The local firm of JRA Architects, Inc., as architect of the branch library project, was also selected to do this renovation design.

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On December 12, 2000, JRA Architects submitted an initial cost estimate for the renovation design of \$235,910 (see

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Attachment #1). This initial cost estimate was based on JRA's knowledge of the project at that time, i.e. the defined project scope, existing condition of the structure, applicable codes and standards in force at that time, local bidding climate, etc.

The Bruce J. Host Center as originally conceived, was to consist of a two-story house converted to commercial occupancy and consisting of 2,458 square feet of main floor space, a one-level addition of 1,371 square feet and a 631+/- square foot screen porch, totaling 4,460 square feet. The renovation design included bringing the facility up to building codes that were in effect at that time and renovation of space for the Library's use as follows:

1. On the first floor: two meetings rooms, a story room, a " Friends of the Library" room, a reading room, room for gift books, a screened porch, restrooms and a kitchen; and
2. On the second floor: three storage rooms for the library, one telecommunications room and two existing restrooms.

On April 24, 2001, the Board approved a project budget of \$273,000 for the Bruce J. Host Center renovations (see Attachment #2), consisting of site work, general renovations, mechanical, plumbing, electrical, communication/data wiring, A/E fees and contingency.

In addition, during the initial phases of this project the Leon County Grants Coordinator attempted to identify State Historic Resource Grant Funding, but was unable to secure or develop any such funding sources for the project. Subsequent attempts at identifying any grant funding sources has proven unsuccessful due to the fact that the project was competing with other grant funded projects at the time and the project was not ranked as a priority statewide for any such grant funding.

In January 2002, the Host family expressed an interest in seeing the construction details of the project. They suggested another direction for the project, which they felt would result in a more appropriate and usable building. Staff conducted numerous meetings between them and the project architect to determine the feasibility and costs of such proposals. The architect's finished schematic design reflected this increased scope of work and the total estimate for this work was \$404,980, representing a \$131,980 increase over the initial scope of work. On July 30, 2002 the Board received an agenda item detailing these proposed changes and costs (see Attachment #3). However, the Board directed staff to pursue the current scope of work without increasing the \$273,000 budget authority. Staff notified JRA Architects to begin design/development on the current scope and to adjust and adhere to the stated construction budget accordingly.

Under the new Florida Building Code, which took effect March 1, 2002, any reclassification of this building from a residential to a business occupancy, requires that the refurbished building meet additional structural, mechanical, electrical, fire, ADA (Americans with Disabilities Act) and Life Safety Code requirements. In March 2003, JRA Architects completed the bid documents and submitted them to the County Building Permit Department for their review and comment. Consequently, the comments received from this permit review have further resulted in an increased scope of work to the project. Building Department comments were included in the contract documents prior to bid.

In addition, the City of Tallahassee Fire Department dictated that the building will have a fire sprinkler system due to the proposed occupancy loads. As this was known prior to issuing the bid, a fire sprinkler system was included in the bid. However, the City has since advised that the existing antique staircase does not conform with the Life Safety Code requirements for commercial use and will not satisfy the requirement for a second point of egress from the second floor (Attachment #4). It is common practice for projects to be bid out while awaiting permit review, and additionally, staff was advised by the architect to go ahead and submit the bid. For these reasons and that the City Fire Department decisions (leaning toward a more stringent interpretation of the new codes) were still pending at the time of bid, this latter required change was not instituted in the bid documents at the time of the initial bid advertisement. Therefore, the bid results received during the month of July do not include these requirements, and such will be at an extra cost to the project.

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**Analysis:**

The Purchasing Department notified 615 vendors of this bid through the automated procurement system. Ten vendors requested bid packages, resulting in two (2) bids and one (1) no-bid statements. The base bid for this project consists of items noted in the construction plans and specifications, but omits any consideration of the additive alternates, consisting of:

Bid Alternate No.1, screen porch (\$44,081);

Bid Alternate No. 2, storage shed remodel (\$20,040); and

Bid Alternate No. 3, additional floor insulation (\$6,500).

Council Construction Company is the low bidder on this project, with a base bid of \$394,472, and additive alternates of \$44,081 for Bid Alternate No.1, and \$20,040 for Bid Alternate No.2, for a total of \$458,593. The next lowest bidder is Riley Palmer Construction, with a base bid total of \$583,452.35, and additive alternates of \$41,662 for Bid Alternate No.1, and \$11,300 for Bid Alternate No.2, and \$6,500 for Bid Alternate No.3, for a total of \$642,914.35 (Attachment #5).

The Capital Improvement Program (CIP) for construction includes a current balance of \$243,340.80. As noted above, it was previously indicated by JRA Architects that this level of funding would have been sufficient for the base bid and contingency. However, due to the passage of time, program revisions, multiple code changes, inflation and the current bidding climate, the project cost has escalated (Attachment #6).

After the low bidder was identified, staff then worked with the contractor, architect, building and fire departments, in order to find ways of complying the expectations for project delivery to code, while also not exceeding the available CIP balance of \$243,340.80. This includes contacting the contractor on the very next day after bid opening, to request a copy of the bid "schedule of values." This document indicates exactly where all of the contractor's costs used to compose the bid are located. Of interest in this schedule of bid values is the fact that over one-half of the costs of base bid, and also the base bid plus each of the additive alternates indicated, is represented by only three bid item groups. These are: 1) Environmental abatement of asbestos and lead paint conditions; 2) Select demolition for building construction; and 3) MPE installations (or building mechanical, plumbing and electrical items). Each of these installations have since been identified and agreed between the owner, architect, contractor and building departments, as being current Florida Building Code (FBC) mandated requirements. Therefore, they may not be eliminated from the project or this bid.

Furthermore, staff has sought the explanation of project architect, regarding the overage of bids received, relative to the project budget. The architect has directed staff back to the relatively longstanding history of this project, which now spans a full 22 years since the initial inception and funding of project. Staff has since checked and verified that the building project has indeed been presented to the Board for its decisions twice, and redesigned by the project architect a total of three times. This project also incurred an almost six month wait, when submitted for State Historic Grant funding consideration, which as noted above, was never received. The project also remains at the original funding levels imposed by the Board during year 2000. Since this time there has been a new State-wide building code adopted that may be influencing the design of buildings by over 20%, the rate of annual construction cost increase have exceeded 7% on average, and a 2.5 percent average annual inflation rate. The rate of consumer lending is also near a 50-year low, which has created a building "boom" and may be reflected in the current bid prices, due to increased market demands for materials and construction services.

Staff has further asked Council Construction to consider a totally unrestricted approach towards assembling a project proposal, which complies with the project budget, but that does not necessarily comply with the current building code of permitting requirements. Council responded with an absolute minimum project bid amendment of \$241,787.00 (see Attachment #7). However, this considers leaving the interior of structure defined "as-is," and remains focused upon complying the remainder with environmental, electrical, and structural requirements, while also refreshing the interior with new paints, carpets, etc. Nevertheless, this approach has been deemed by the project architect as not meeting the

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intent of code (see Attachment #8). We also understand from the County Building and City Fire Departments, that such does not meet with all of their requirements, and could neither be permitted for construction or certificate for occupancy. This approach therefore illustrative only of what the staff believes are the current impacts of recent State adjustments to building codes on new construction. Thus, it has been determined that the available CIP balance was insufficient to pay for current Building and Life Safety Code requirements.

As further noted above, the Tallahassee Fire Department advised that providing the alternate means of escape from the second floor would allow for the interior staircase to remain unaltered. Staff has since met with the low bidder and determined that the cost of these modifications would be \$75,000. This change order would consist of:

A floor ladder assembly on the outside of the building that is accessible from an interior window;

Elimination of one of the second floor office areas; and

A dedicated, unobstructed path leading to the window for escape.

Voice and data wiring must also be considered for their cost impacts prior to making the bid award. Staff has contacted MIS and determined that a budget reservation of \$12,000 is adequate for the first and second floor wiring costs. The costs and budget are summarized in the following table, both with and without the bid additive alternates.

<b>FUNDS NEEDED FOR PROJECT COMPLETION</b>	<b>TOTAL BASE BID WITH ADDITIVE ALTERNATES</b>	<b>TOTAL BASE BID WITHOUT ADDITIVE ALTERNATES</b>
Council Construction Co. base bid & additive alternates	\$458,593	\$394,472
Second Floor Egress Modifications	\$ 75,000	\$ 75,000
<i>Total Base Bid &amp; 2<sup>nd</sup> Floor Egress Modifications</i>	<i>\$533,593</i>	<i>469,472</i>
MIS wiring	\$ 12,000	\$ 12,000
<i>Total Base Bid, 2<sup>nd</sup> Floor Modifications &amp; MIS Wiring</i>	<i>\$545,593</i>	<i>\$481,472</i>
Contingency @ 5%	\$ 27,280	\$ 24,000
<b>GRAND TOTAL</b>	<b>\$572,873</b>	<b>\$505,472</b>
CIP Balance	\$243,340	\$243,340
<b>PROJECT DEFICIT</b>	<b>(\$329,533)</b>	<b>(\$262,132)</b>

The M/WBE office has performed an analysis of the bids submitted by Council Contracting, Inc. and Riley Palmer Construction Company, Inc. Based on the bids submitted, both respondents met and/or exceed the aspired goal for this project, and the M/WBE Office supports the lowest bidder, Council Contracting, Inc., if the Board directs staff to

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pursue the project (Attachment #9).

Should the Board direct staff to pursue the project with an increased budget requirement, funding would need to be aligned from other currently-funded projects. Therefore, a subsequent agenda item seeking Board direction to that effect would be forthcoming.

#### Additional Options:

The roof of the building is in need of immediate repair to fix multiple leaks that have damaged portions of the wall sections and flooring. This damage is a result of age and the constant amount of rainfall that has weakened these areas. If this building is to be used at a later date, an abatement needs to be done to the roof and a new roof applied to stop any further damage. This portion of work and pricing is already established in the low bidder's prices (Attachment #10). Staff met with Council Construction and put together a package that includes roof abatement/replacement, rot replacement on exterior, paint exterior and replace all broken windows. This proposed amount of work is priced at \$112,269, (Attachment #11), and will keep the building "shell" protected until the necessary funds become available to finish the interior. The house will have a new exterior that is protected from the elements of nature. However, at this stage of completion, the building could only be used for storage and not for occupancy of County functions.

If the Board chooses to discontinue this project by removing the house, a minimum of environmental abatement would need to occur with demolition to follow. Staff met previously with demolition companies to price the removal of the house. To abate the structure and then demolish it results in a cost of \$75,000. This price includes dump fees and permitting. However, the approach also results in a savings of \$168,340 that can be returned to the General Fund.

If the project were discontinued, the house could also be demolished and the grounds improved to serve as 24 additional library parking spaces. Staff estimated this would cost \$155,000, (which includes \$75,000 for abatement/demolition and \$80,000 for design, permitting and construction of new parking). This alternative results in a savings of \$88,340, that can be returned to the General fund. County staff supports this option because that it would provide for needed parking and is not anticipated to negatively impact current or projected library operations or programming.

#### Options:

1. Approve the bid award for renovation of the McCord/Host House to Council Construction Company with the base bid and additive alternates of \$458,593, and second floor modifications of \$75,000, for a total project cost of \$533,593. Direct staff to return with an agenda item seeking Board direction as to which currently-funded projects are to be realigned to provide the additional \$329,533 needed to fund this project.
2. Approve the bid award for renovation of the McCord/Host House to Council Construction Company with the base bid in the amount of \$394,472 and second floor modifications of \$75,000, for a total project cost of \$469,472. Direct staff to return to the Board with an agenda item seeking Board direction as to which currently-funded projects are to be realigned to provide the additional \$262,132 needed to fund this project.
3. Replace the roof system and seal the outside exterior at \$112,269 until future budget and programming is established.
4. Conduct the abatement process and demolish the house for \$75,000, and return \$168,340 to the General Fund.
5. Conduct the abatement process, demolish the house, and build a new parking lot for the Library's use at \$155,000, and return \$88,340 to the General Fund.
5. Board Direction.

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**Recommendation:**

Option #5

**Attachments:**

1. JRA Architects Cost Estimates
2. Follow-up of April 24, 2001
3. Agenda Item of July 30, 2002
4. Confirmation from Tallahassee Fire Department
5. Bid Tabulation sheet
6. JRA Architects letter
7. Council Construction letter
8. JRA Architects response letter
9. M/WBE Statement
10. Contractor's schedule of values
11. 2<sup>nd</sup> Letter from Council Construction

